

**MORATORIUM ON CERTIFICATION AND ENROLLMENT OF NEW ADULT DAY
HEALTH CARE CENTERS INTO THE MEDI-CAL PROGRAM**
AUGUST 2006

In accordance with Section 14552.5 of the California Welfare and Institutions Code, I, Sandra Shewry, Director of the California Department of Health Services (Department), Health and Human Services Agency, State of California, am continuing the statewide moratorium on the certification and enrollment of new Adult Day Health Care (ADHC) centers in the Medi-Cal program, pursuant to the provisions of Section 14043.46 of the California Welfare and Institutions Code, as amended by the Budget Act of 2006, Omnibus Health Trailer Bill. The 2006/07 budget assumes that there will be no discretionary exemptions to the moratorium granted in 2006/07.

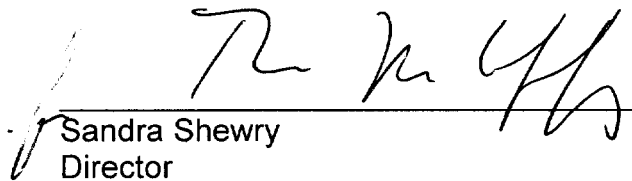
Exemptions to the moratorium are specified in Section 14043.46 of the California Welfare and Institutions Code and include all of the following:

- (1) Programs of All-Inclusive Care for the Elderly (PACE) established pursuant to Chapter 8.75 (commencing with Section 14590).
- (2) An organization that currently holds a designation as a federally qualified health center as defined in Section 1396d(l)(2) of Title 42 of the United States Code.
- (3) An organization that currently holds a designation as a federally qualified rural health clinic as defined in Section 1396d(l)(1) of Title 42 of the United States Code.

- (4) An applicant with the physical location of the center in an unserved area, which is defined as a county having no licensed and certified adult day health care center within its geographic boundary.
- (5) Effective May 1, 2006, an applicant for certification that meets all of the following:
 - (A) Is serving persons discharged into community housing from a nursing facility operated by the City and County of San Francisco.
 - (B) Has submitted, after December 31, 2005, but prior to February 1, 2006, an application for certification that has not been denied.
 - (C) Meets all criteria for certification imposed under this article and is licensed as an adult day health care center pursuant to Division 2, Chapter 3.3 of the Health and Safety Code.
- (6) An applicant that is requesting expansion or relocation, or both, that has been Medi-Cal certified as an adult day health care center for at least four years, is expanding or relocating within the same county, and that meets one of the specific population-based criteria;
- (7) An applicant for certification that is currently licensed and located in a county with a population that exceeds 9,000,000 and meets the specified criteria.

This moratorium shall not prohibit the Department from approving a change of ownership, relocation or increase in capacity for an ADHC center meeting all the specified criteria.

The Department will forward a letter to explain the above process to all AHDC centers and all ADHC participants with applications currently on file with the Department. This action is to allow the development and implementation of the ADHC waiver as required by the Centers for Medicare and Medicaid Services, to safeguard public funds, and to maintain the fiscal integrity of the program.



Sandra Shewry
Director
California Department of Health Services
Health and Human Services Agency
State of California

8/17/06

Date